

17339
RECORDATION NO _____ FILED 1425

ITEL

MAY 24 1991 -10 10 AM

INTERSTATE COMMERCE COMMISSION

May 23, 1991

Ite Rail Corporation

550 California Street
San Francisco, CA 94104
(415) 984-4200

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INTERSTATE COMMERCE COMMISSION

Hon. Sidney L. Strickland, Jr., Esq.
Secretary
Interstate Commerce Commission
Washington, DC 20423

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INTERSTATE COMMERCE COMMISSION

Re: Per Diem Lease and Schedule Nos. 1, 2, 3, 4 and 5

1-144A00

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INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

On behalf of Ite Rail Corporation, the above instruments, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$90 recordation fee.

Please record the Class II and III Railroad Per Diem Lease under a new recordation number. Please record Schedule Nos. 1, 2, 3, 4 and 5 under the recordation number assigned to the Lease.

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The parties to the aforementioned Lease are listed below:

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INTERSTATE COMMERCE COMMISSION

Ite Rail Corporation (Lessor)
550 California Street
San Francisco, California 94104

Sabine River and Northern Railroad Company (Lessee)
Old Highway 87 North
Orange, Texas 77630

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INTERSTATE COMMERCE COMMISSION

The Lease describes the terms and conditions by which railroad equipment is leased. Schedule Nos. 1, 2, 3, 4 and 5 add to the Lease one thousand four hundred ninety-one (1,491) 50'6", 70-ton, Plate C boxcars bearing reporting marks SRN 7100-7153; SRN 7154-7453; SRN 3500-6020 (n.s.); SRN 5000-5299 (n.s.); and SRN 5300-5399 (n.s.), respectively.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker
Patricia Schumacker
Legal Assistant

16 MAY 24 1991

16 MAY 24 1991

5/28/91

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

Patricia Schumacker

Legal Assistant

Intel Rail Corporation

550 California Street

San Francisco, California 94104

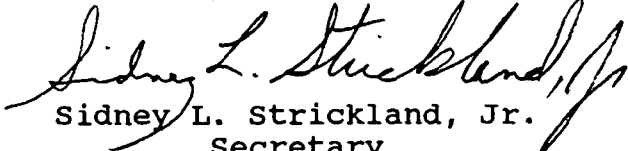
Dear

Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/24/91 at 10:10am, and assigned recordation number(s).

17339--A,B,C,D,E 9703-M.8246-U,17340 & A, 9407-G
15642-HH,14165-SSS 8246-V

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

MAY 24 1991 - 10 ¹⁰ AM

SCHEDULE NO. 5

INTERSTATE COMMERCE COMMISSION

This Schedule No. 5 ("Schedule") to that certain Lease Agreement (the "Agreement") made as of May 2, 1990 between ITEL RAIL CORPORATION ("Lessor") and SABINE RIVER AND NORTHERN RAILROAD COMPANY ("Lessee") is made as of May 14, 1990. 1991.

R E C I T A L S :

- A. Lessor and Lessee are parties to the Lease Agreement dated December 23, 1977, as amended, wherein Lessor leased to Lessee 99 boxcars from within the series SRN 5300-5399 ("Cars").
- B. The parties now desire to terminate the Lease Agreement dated December 23, 1977 and add the Cars to the Agreement and this Schedule.

Lessor and Lessee agree as follows:

- 1. **Capitalized Terms:** All capitalized terms defined in the Agreement shall have the meanings defined therein when used in this Schedule No. 5 except that the term "Cars" as used herein shall only refer to the equipment described in this Schedule unless otherwise indicated.
- 2. **Cars Leased:** Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

| AAR Mech. | | | Interior Dimensions | | | No. of | |
|-----------|-------------------------|---------------------------------|---------------------|--------|--------|----------------|------|
| Desig. | Description | Numbers | Length/ | Width/ | Height | Door Width | Cars |
| XM | 50', 70-Ton, Plate C | SRN 5300-5366, 5368-5399. | 50'6" | 9'6" | 11' | 10' Sliding | 99 |

- 3. **"Expiration Date":** Upon the full execution of the Termination Agreement dated May 14, 1991, 1990 between the parties, the Agreement and this Schedule, the initial term ("Initial Term") for each Car shall be deemed to have commenced on October 1, 1990 and shall continue through the Expiration Date of December 31, 1993.
- 4. **Record Keeper:** Name: Itel Rail Corporation
Address: 550 California Street
City: San Francisco
State: California Zip: 94104

5. Party Responsible for Maintenance: Lessor
6. Average Number of Miles Per Day: 73
7. Party Responsible for Revenue Bill Movement, if any, to Lessee's Lines Prior to Initial Loading: Lessor
8. Rent:
- A. Lessee agrees to pay the following rent to Lessor for the use of the Cars:
- (i) Lessor shall retain a sum equal to
- B. Lessee shall be entitled to the following:
- (i) With respect to the Cars described in this Schedule, effective October 1, 1990 Lessee shall be entitled to receive per Car for each full Service Month that such Car is subject to the Agreement.
- (ii) The Monthly Payment shall be prorated at per day for each Car that is not subject to the Agreement for an entire Service Month.
- (iii) Lessor shall pay Lessee the Monthly Payment, or prorated portion thereof, for each Car within 60 days after the close of each Service Month.
9. Minimum Rent:
- A. "Minimum Rent" means the dollar amount for any calendar quarter (or applicable portion thereof) which equals the Revenues the Cars on this Schedule would have earned in the aggregate during such quarter (or applicable portion thereof) if such Cars had been on railroad lines other than Eligible Lines for during such quarter, with each Car traveling per day and with each Car earning Revenues at the Revenue Rates.
- B. If Revenues are Less Than Minimum Rent
- If, with respect to the Cars on this Schedule during any calendar quarter, Revenues received by Lessor for such Cars are less than the Minimum Rent for such Cars, then Lessor may so notify Lessee. Within 10 days of such notice, Lessee shall either:
- (i) Notify Lessor of intent to pay Lessor the shortfall between the Minimum Rent and the Revenues received

by Lessor for such Cars in such calendar quarter and agree to pay the shortfall, if any, between the Minimum Rent and the Revenues received by Lessor for such Cars in each subsequent calendar quarter for the duration of the term. Lessee shall pay Lessor such shortfall not later than 60 days after receiving an invoice.

- (ii) Elect in writing not to pay Lessor such shortfall for such quarter. In such event, Lessor may terminate the lease with respect to all or any of the Cars on this Schedule upon not less than 30 days written notice to Lessee at any time during the Agreement.

10. Special Terms:

- A. If the Agreement has not been terminated early, the Agreement shall automatically be extended for 4 consecutive periods of 6 months each (each such period an "Extended Term") with respect to all of the Cars described in this Agreement, provided that Lessor may terminate the Agreement effective at the end of the Initial Term or any Extended Term as to some or all of the Cars by providing not less than thirty (30) days prior written notice to Lessee.
- B. The Cars are in Lessee's possession therefore this Schedule does not contain an Exhibit A.

Each party, pursuant to due corporate authority, has caused this Schedule to be executed by its authorized officer, and each of the undersigned hereto declares pursuant to 28 U.S.C. Section 1746 under penalty of perjury that the foregoing is true and correct and was executed on the date indicated below its signature.

ITEL RAIL CORPORATION

By: Winfred G. Smith
Title: V.P. SALES
Date: 5/14/91

SABINE RIVER AND NORTHERN
RAILROAD COMPANY

By: Jerry M. Gentry
Title: Exec. V.P.
Date: 5/8/91

EXHIBIT B TO SCHEDULE NO. 5

RUNNING REPAIRS

BOXCARS

| | |
|--|---|
| Angle Cocks | Wheel Assemblies |
| Air Hose | Yokes |
| Train Line | Knuckles/Pins |
| Operating Levers and Brackets | Slack Adjuster |
| Sill Steps | Couplers |
| Grab Irons | Draft Gears |
| Brake Shoes | Coupler Carriers |
| Brake Shoe Keys | Center Plate Repair (Not Replacement of Center Plate) |
| Brake Connecting Pin | Cotter Keys |
| Brake Head Wear Plates | Roller Bearing Adapters |
| Air Brakes | Air Hose Supports |
| Hand Brakes | Brake Beams and Levers |
| Truck Springs | |
| Door Hardware (Not Replacement of Door) | |